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THE FEDERAL

House Republicans' Blueprint

House Republicans yesterday released their proposal to balance the budget by the year 2002. The plan calls for the elimination of three departments, 13 agencies and 284

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to Balance the Budget

programs for a total of $1.4 trillion in savings over seven years (of which $360 billion would go to a tax cut) as compared to about $960 billion in savings proposed by the Senate. What follows is a listing of proposed cuts with corresponding savings and costs over seven years compared to projected federal spending without changes in current law.

DEFENSE

House Republicans would substantially increase defense spending over the next seven years with funds going to reviving weapons spending as well as increasing the pay of the military and improving their housing. Additionally the Budget Committee stipulates some savings would be squeezed from projected defense spending by reducing the number of Defense Department civilians involved in acquisition work.

House additional cost: $46 billion over Clinton's five-year budget; $92 billion more (over seven years) than current law.

Senate additional cost: No increase over Clinton's budget; $26 billion more than current law.

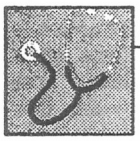
INTERNATIONAL AFFAIRS

The House Budget Committee would radically reduce the amounts of funds for most U.S. non-military activities abroad, with actual spending declining from the current $18.9 billion to $10.7 billion a year in 2002. Funds go to the State Department, Agency for International Development, U.S. Information Agency and the Arms Control and Disarmament Agency, trade promotion, U.S. participation in multilateral development banks and the United Nations.

- Terminate Voice of America and Radio Marti broadcasts to Cuba
- Terminate Board of International Broadcasting
- Eliminate the International Development Association
- Privatize Overseas Private Investment Corp.
- Charge risk-related feeds for Export-Import Bank
- Reduce aid to former Soviet Union
- Eliminate USIA and educational and cultural exchanges
- Cut funds for Peace Corps
- Eliminate U.S. Institute of Peace
- Eliminate Asia Foundation
- Reduce funds for Agency for International Development

House savings: $28.8 billion over current law

Senate savings: $18.1 billion over current law



Health, Medicare, Medicaid

The House Budget Committee proposal radically curbs the growth of Medicare and Medicaid programs, affects discretionary spending for health services, the National Institutes of Health, the Centers for Disease Control and Prevention, the Indian Health Service and consumer and occupational health and safety programs.

- Create Medicaid block grant
- Increase user fees on products regulated by the FDA
- Reform the Consumer Product Safety Commission
- Cut substance abuse and mental health services
- Reduce ineffective funding for the National Health Services Corps
- Terminate federal funding for physical fitness and sports
- Encourage prioritization of NIH-supported research funding by 5 percent
- Transfer Mine Safety and Health Administration to OSHA, cut 20 percent

House savings: $282.3 billion for Medicare; $198.5 billion for Medicaid and other health areas

Senate savings: $256 billion for Medicare; $202.3 billion for Medicaid and other health areas

Welfare, Federal Retirement

House Republicans propose a budget in line with legislation they approved in March that would replace dozens of federal programs and regulations with six lump-sum payments to the states, allowing them to design their own welfare programs, including nutrition programs. They also propose cuts in food stamps. Not in the welfare legislation but also affected by yesterday's budget proposal are several housing programs.

- Renew Section 8 housing grants
- Deregulate public housing authorities, enabling them to more efficiently use operating funds
- End construction of new public housing units
- Reduce homeless assistance grants
- Reduce grants to emergency shelters
- Reduce funds for elderly housing
- Reduce HOPE grants
- Eliminate Indian Housing Loan Guarantees
- Transfer lead based paint abatement responsibilities to EPA
- Eliminate extended unemployment benefits
- Create child care block grant
- Create family nutrition block grant
- Create school nutrition block grant
- Cut food stamps program
- Cut child nutrition program

House savings: $116.7 billion

Senate savings: $82.9 billion

Education, Training, Employment, Social Services

House Republicans target educational, cultural and job training programs for drastic cuts. They call for the elimination of the Education Department and wide variety of its programs including some of the leading Clinton administration initiatives.

- Eliminate funding for Goals 2000
- Eliminate duplicative school improvement programs
- Eliminate duplicative higher education grants
- Phase out all special interest scholarships
- Terminate bilingual and immigrant education
- Eliminate federal funding for Howard University, redirect half of the savings to historically black colleges fund
- Eliminate federal funding for libraries
- Fund Head Start at FY 1994 level
- Privatize the Corporation for Public Broadcasting
- Eliminate the Corporation for National and Community Service
- Cut vocational and adult education (homeless adults)
- Eliminate the Woodrow Wilson International Center
- Cut training and employment services
- Terminate funding for the National Endowment for the Arts and National Endowment for the Humanities
- Cut subsidy program for student loans
- Cut funds for foster care

House savings: $73.2 billion

Senate savings: $59.4 billion

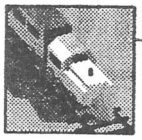
Commerce and Housing Credit

Discretionary housing programs, such as subsidies for single and multifamily housing; mortgage insurance provided by the Federal Housing Administration; Postal Service spending; and the Commerce Department were hard hit by GOP budget cutters.

- Eliminate the Commerce Department
- Eliminate the U.S. Travel and Tourism Administration
- Make Patent and Trademark Office self-funding and independent
- Eliminate the SBA's tree planting program
- Terminate industrial technology services
- Make SBA loan guarantee program self-financing
- Eliminate Minority Business Development Administration within the Commerce Department
- Increase patent and trademark user fees
- Increase FCC user fees

House savings: $3.4 billion

Senate savings: $12.5 billion



Transportation

Republicans cut spending for the federal aid highway program, mass transit operations and capital assistance, rail transportation, Amtrak, the Interstate Commerce Commission, the FAA, aviation facilities, water transportation through the Coast Guard and the Maritime Administration.

- Rescind funds for NASA wind tunnel
- Eliminate DOT's minority business program
- Eliminate the Tennessee Valley Authority
- Eliminate highway demonstration projects
- Eliminate funding for intelligent vehicle development

- Eliminate Federal Maritime Commission
- Streamline the Coast Guard
- Eliminate the Maritime Administration
- Eliminate the Interstate Commerce Commission
- Phase out mass transit operating subsidies
- Phase out Amtrak operating and capital subsidies between 1999 and 2002
- Eliminate funding for high-speed rail development
- Eliminate Appalachian Regional Commission
- Cut Community Development Block Grants
- Cut the Pennsylvania Avenue Development Corp.
- Eliminate flood insurance subsidy on structures built before 1975

House savings: $22.4 billion

Senate savings: $51.3 billion

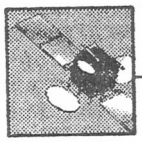
Agriculture

Republicans call for streamlining and reductions in the massive Agriculture Department and its extensive research and services.

- Reform Foreign Agricultural Service
- Reform Farmers Home Administration
- Reduce funds for the National Agriculture Statistics Service
- Streamline USDA bureaucracy
- Cut the Agricultural Research Service
- Cut the USDA Extension Service
- Cut USDA's Cooperative State Research Service
- Reduce Agricultural Production Programs

House savings: $20 billion

Senate savings: $14 billion



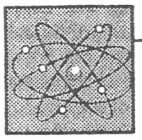
General Science, Space and Technology

House Republicans scaled back NASA expenditures and Energy department research and call for a reprioritizing general science research activities, including those at the National Science Foundation. In keeping with President Clinton's budget proposal, they would cut the space Shuttle budget by about a third and trim science, aeronautics and technology development.

- Reduce academic research infrastructure
- Reduce salaries and expenses
- Reduce expenditures on major research equipment
- Cut funds for human space flight
- Cut funds for space mission support

House savings: $10.3 billion

Senate savings: $6.7 billion



Energy

Republicans call for the elimination of the Energy Department, which include solar, renewable and fossil energy programs; conservation research and development; civilian nuclear waste disposal; and state energy conservation grants.

- Reduce energy supply research and development
- Reduce fossil energy research and development
- Reduce energy conservation research
- Sell the Naval Petroleum Reserve
- Privatize four power administrations

House savings: $8.7 billion

Senate savings: $11.5 billion

Natural Resources

Funding for water resources, conservation and land management, recreational resources and pollution control were targeted, with big reductions in the national forest system, the national park service and the U.S. Geological Survey.

- Reduce NOAA operations, research and facilities
- Reduce funding for wastewater treatment, according to Appropriations Committee recommendations
- Reform Bureau of Reclamation
- Cut National Park Service operations by 10 percent
- Reduce National Forest System
- Reduce management of lands and resources
- Impose 5-year moratorium on land acquisition for U.S. Fish and Wildlife Service, National Park Service, Bureau of Land Management
- 5-year reduction in new construction for same agencies
- Apply a cost-benefit test to superfund projects

House savings: $19.6 billion

Senate savings: 23.7 billion

Community and Regional Development

Funds community and regional development and disaster relief, including programs administered by HUD, Appalachian Regional Commission, Tennessee Valley Authority, Economic Development Administration, Bureau of Indian Affairs, Federal Emergency Management Agency and the Department of Agriculture.

- Eliminate the Economic Development Administration
- Eliminate Appalachian Regional Commission
- Reduce Community Development Block Grants
- Reduce Bureau of Indian Affairs and Construction

House savings: $12.6 billion

Senate savings: $20.1 billion

Law Enforcement, Justice

House Republicans want to block grant funds to fight crime, including resources President Clinton wanted specifically designated for community policing as called for in the Omnibus Crime Bill of 1994. Unlike the Senate, the House Republicans would reduce the Violent Crime Trust Fund, accounting for savings not

reflected in the Senate budget proposal.

- Reduce block grant funding for Justice Assistance Program
- Eliminate funding for death penalty resource centers
- Phase out federal funding for the Legal Services Corp.
- Reduce the Violent Crime Trust Fund
- Terminate the State Justice Institute
- Terminate the U.S. Parole Commission

House savings: $ 11.1 billion

Senate spending: Would increase spending by $27.4 billion over seven years due primarily to enactment of the Violent Crime Trust Fund, which funds prison construction and community police.

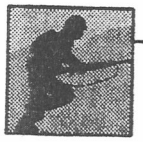
General Government

Limits were placed on federal building and construction by the General Services Administration and cuts in smaller executive branch agencies, including those that provide assistance to U.S. territories.

- Impose 5-year moratorium on construction
- Impose 7-year moratorium on acquisition of new federal buildings
- Eliminate all territorial assistance
- End government's monopoly on printing
- Eliminate the Office of Technology Assessment
- Reduce General Accounting Office funding by 15 percent
- Reform the Office of Personnel Management; transfer certain OPM responsibilities to other agencies

House savings: $9.5 billion

Senate savings: $6.8 billion



Veterans

House budget cutters mainly focus on cost of living allowances and health benefits for veterans and limiting hospital construction in the VA's vast medical system.

- Limit Veterans Affairs major construction
- Reduce cost of living allowances
- Withhold compensation benefits for certain incompetent veterans with large estates
- Collect per diems and copayments from certain veterans
- Verify income of veterans receiving medical care

House savings: $8.3 billion

Senate savings: $15.1 billion

Miscellaneous

Includes various budgetary functions and undistributed offsetting receipts.

- Reduce federal agency overhead
- Reduce the number of political appointees
- Replace dollar bills with dollar coins
- Increase civilian employee contributions to retirement trust fund by 2.5 percent of salary

House savings: $40.2 billion from allowances and additional undistributed offsetting receipts

Senate savings: $73.6 billion

SOURCES: House Budget Committee; Washington Post research